National Evaluation of the Teacher Incentive Fund Program

SRI International, Urban Institute, and
Berkeley Policy Associates

August 2010

Why Pay for Performance?

Four primary goals of TIF

- Improve student achievement by improving teacher and principal effectiveness
- Tie teacher and principal compensation to increases in student achievement
- Increase the number of effective teachers in hard-to-staff schools and subjects
- Create sustainable performance-based compensation systems

PFP Efforts Are Spreading

- Federal
  - Teacher Incentive Fund, Race to the Top
- State
  - North Carolina, Texas, Florida, etc.
- Local
  - Washington, D.C., New York City
- Foundations
  - Gates, Milken

Does It Work?

- In U.S., some studies found small positive effects, but most found no effects.

- Outside of U.S., a few experimental and quasi-experimental studies (in Israel, Kenya, and India) have shown positive effects.

Lessons Learned from Research

- Build teacher buy-in
- Communicate to teachers about the program
- Design rewards so that teachers in lower-performing schools believe they can attain them
- Reward teachers for multiple outcomes
- Design sustainable programs

Recent Research

- **Denver ProComp** Teachers hired after implementation (for whom participation is mandatory) exhibit higher first-year achievement. Participating teachers also have more favorable views of ProComp.
- **Chicago TAP** No evidence of improved student test scores or teacher retention.
- **Texas D.A.T.E.** Fair measures of educator performance, adequate data systems and communicating goals to schools presented challenges for districts.

Study of the Teacher Incentive Fund (TIF)

- SRI, the Urban Institute and Berkeley Policy Associates
- Study implementation using phone interviews, site visits, teacher and principal survey
- Possible outcomes studies

National Evaluation: Research Questions

- What are the main characteristics or components of local TIF performance pay plans?
- To what extent are grantees implementing performance pay systems as planned?
- What system supports and broader contextual factors impede or enhance implementation of performance pay systems?
- What evidence exists that the performance pay systems are being established in the local grantee sites? What does this evidence indicate about prospects for sustainability?
- What are the effects of the TIF program and projects on educator and student outcomes?

Upcoming Data Collection

- Site visits to 12 grantees in the fall of 2010
- Surveys to a sample of teachers and principals across all grantees in January 2011
- Site visits to 12 grantees in the fall of 2011
- Grantees awarded in cohort 3 or 4 may participate in additional research conducted by Mathematica Policy Research

Reporting Timeline

Interim Report – 6/2011

- Phone interviews and fall 2010 site visits

Final Implementation Report – 5/2012

- Phone interviews, two rounds of site visits, teacher and principal surveys
- Each site will receive individual survey data

Synthesis Report – 7/2013

- Phone interviews, site visits, surveys, and outcomes analyses

Recent Data Collection

Phone interviews were conducted in the winter of 2009-10 with 266 individuals across 34 grantees

Respondent Type	Interviews Conducted
Project Directors and Co-directors	42
District leaders and Project Staff	57
Evaluators and Data Managers	54
Union or Association Representatives	20
Teachers	47
School leaders	37
Other stakeholders, e.g., media, school board members, consultants	9

Data Collection

Phone interview topics included:

- Previous experience at the school or district level with pay for performance or other related initiatives
- Stakeholder involvement
- Program design, including eligibility, award criteria, and data availability
- Implementation thus far and any changes
- Program evaluation design, findings, and use of information
- Perceived principal, teacher, and student outcomes

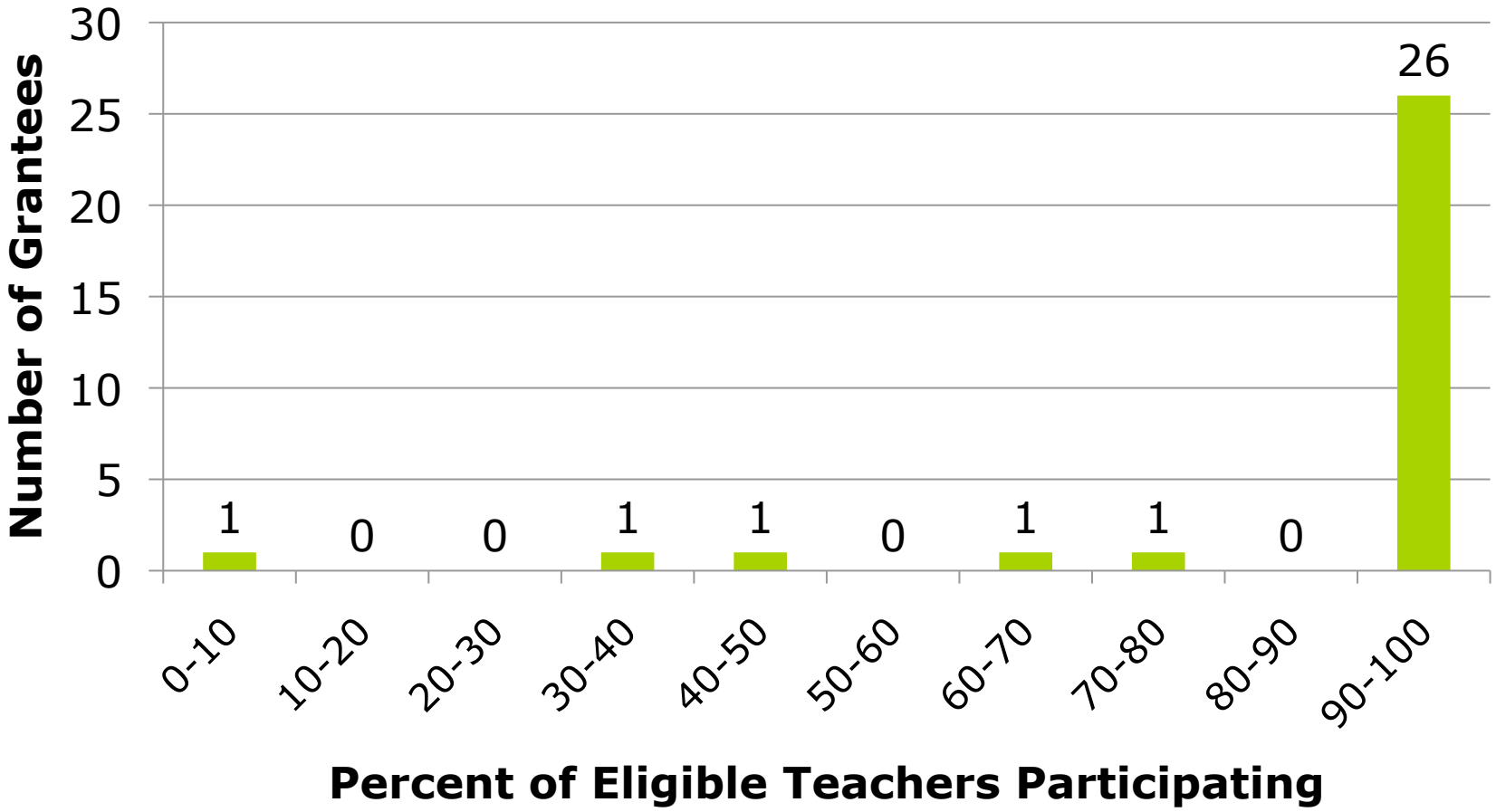
Data Collection

Payout data were collected from all grantees which included:

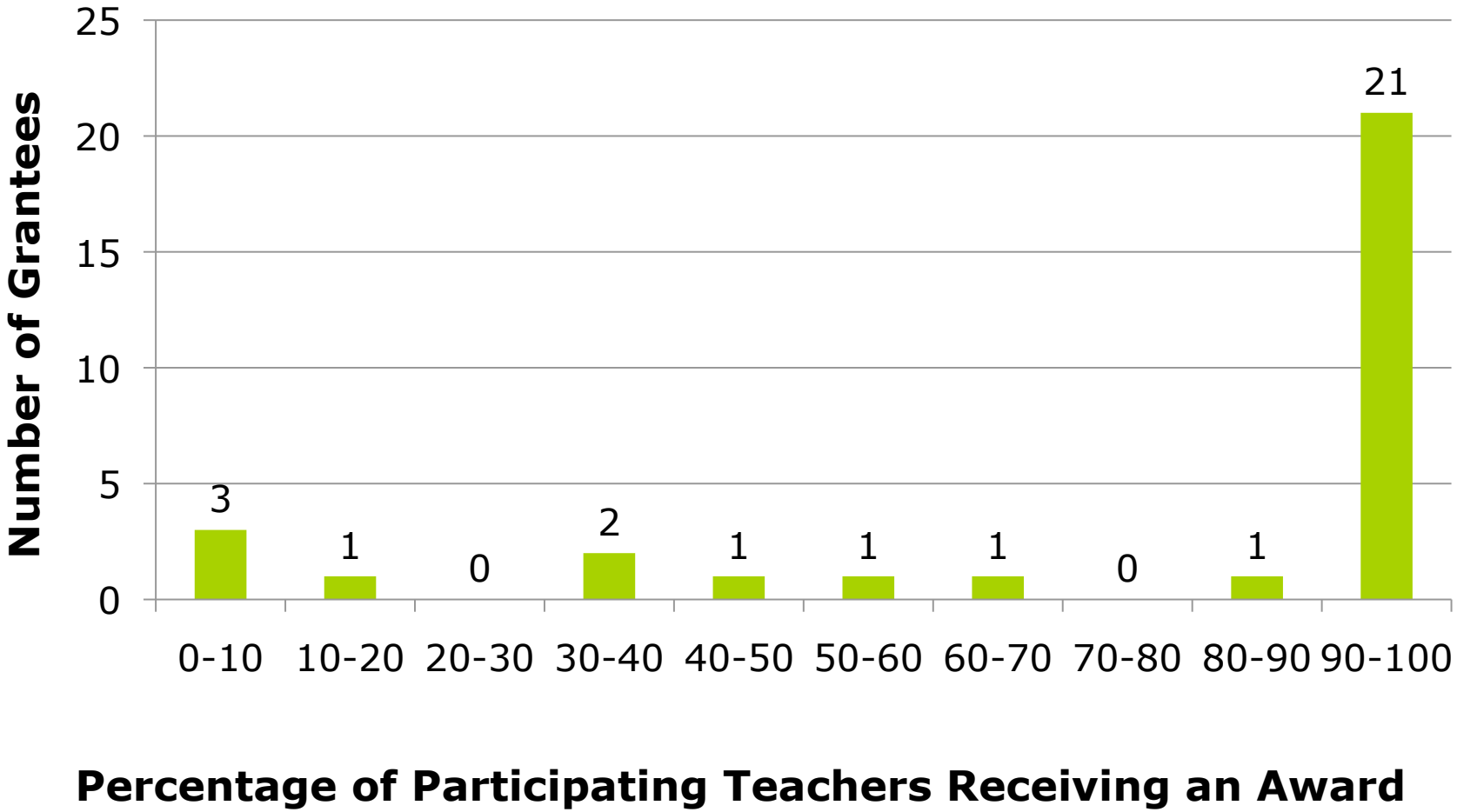
- All teachers and administrators earning awards
- The amount awarded for each category
- Timing of payouts
- The number of participating teachers or administrators who did not receive awards

Data are from 2008-09 with the exception of two grantees which had not yet made payouts for that year. In those cases, data are from 2007-08.

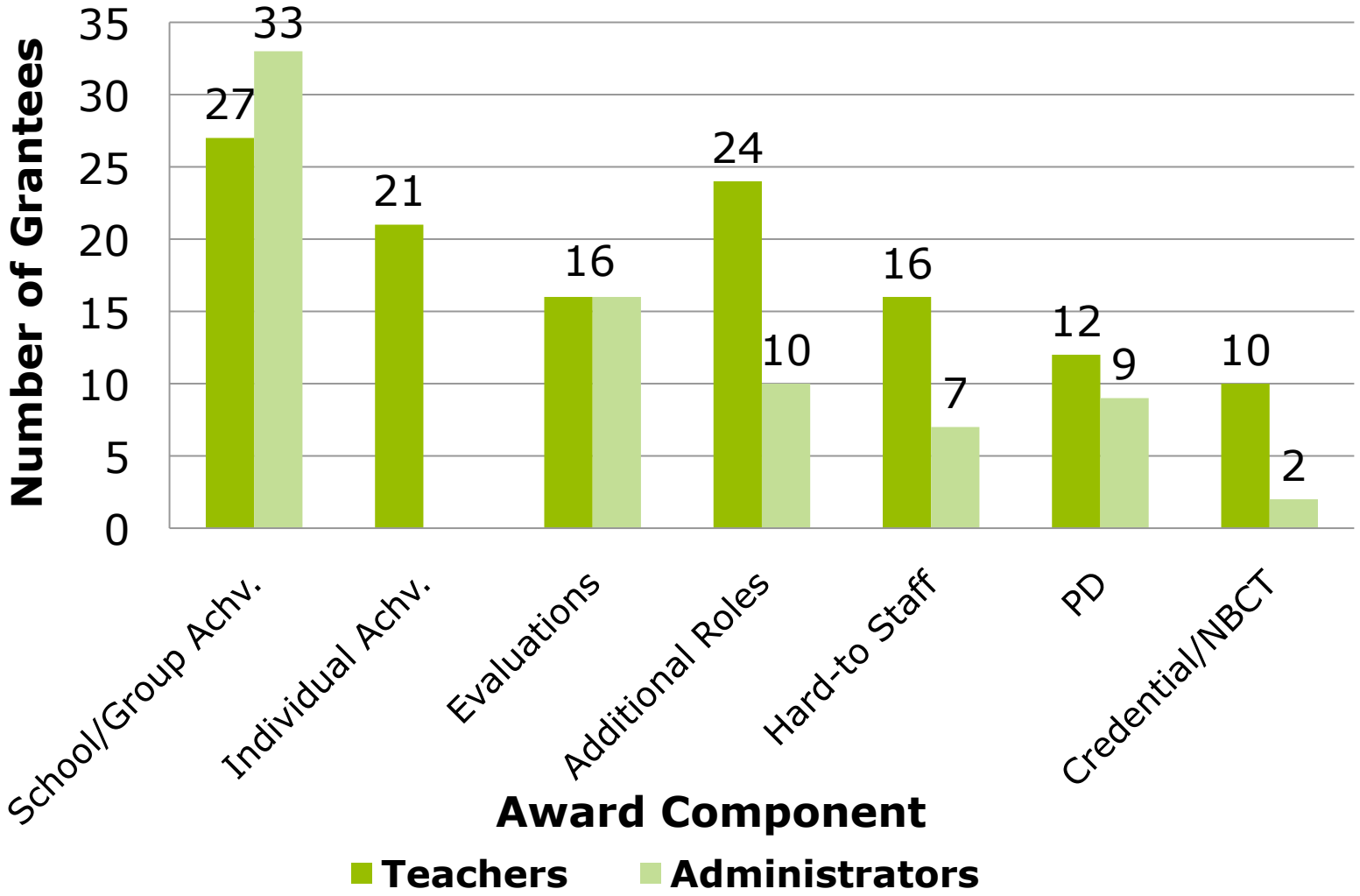
Participation



Awards to Teachers



Award Categories



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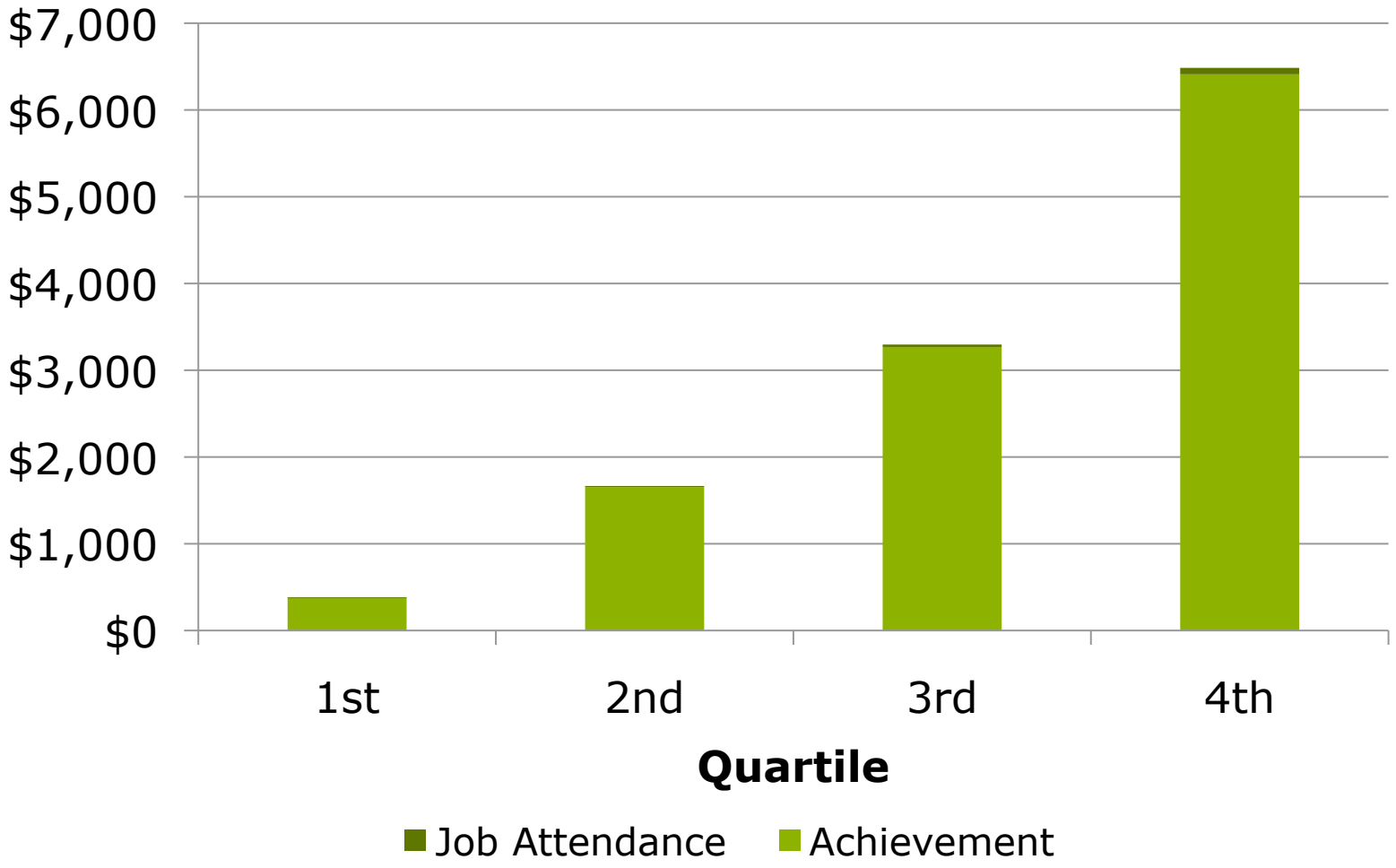
Distribution of Awards: Grantee A



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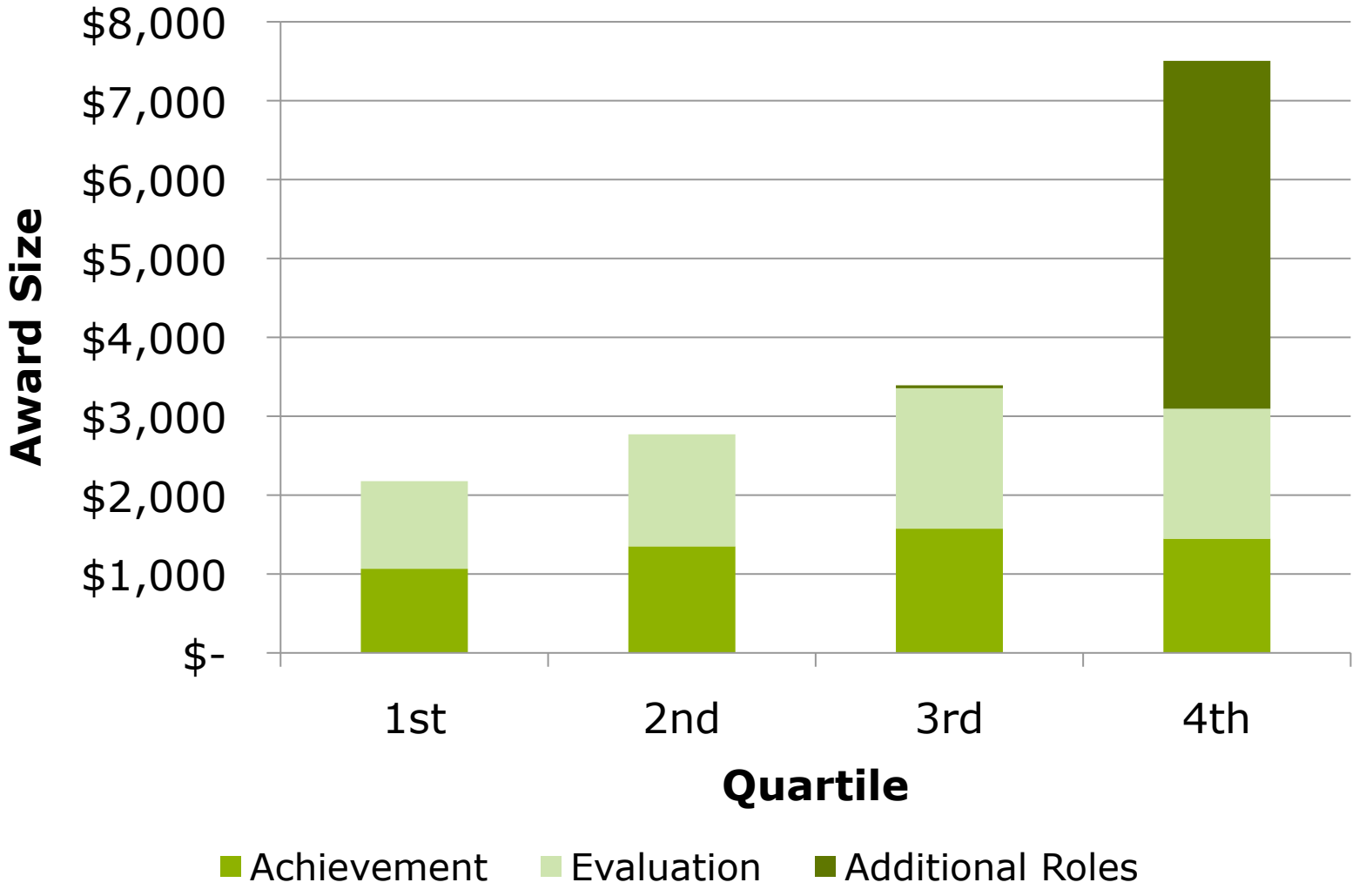
Distribution of Awards: Grantee B



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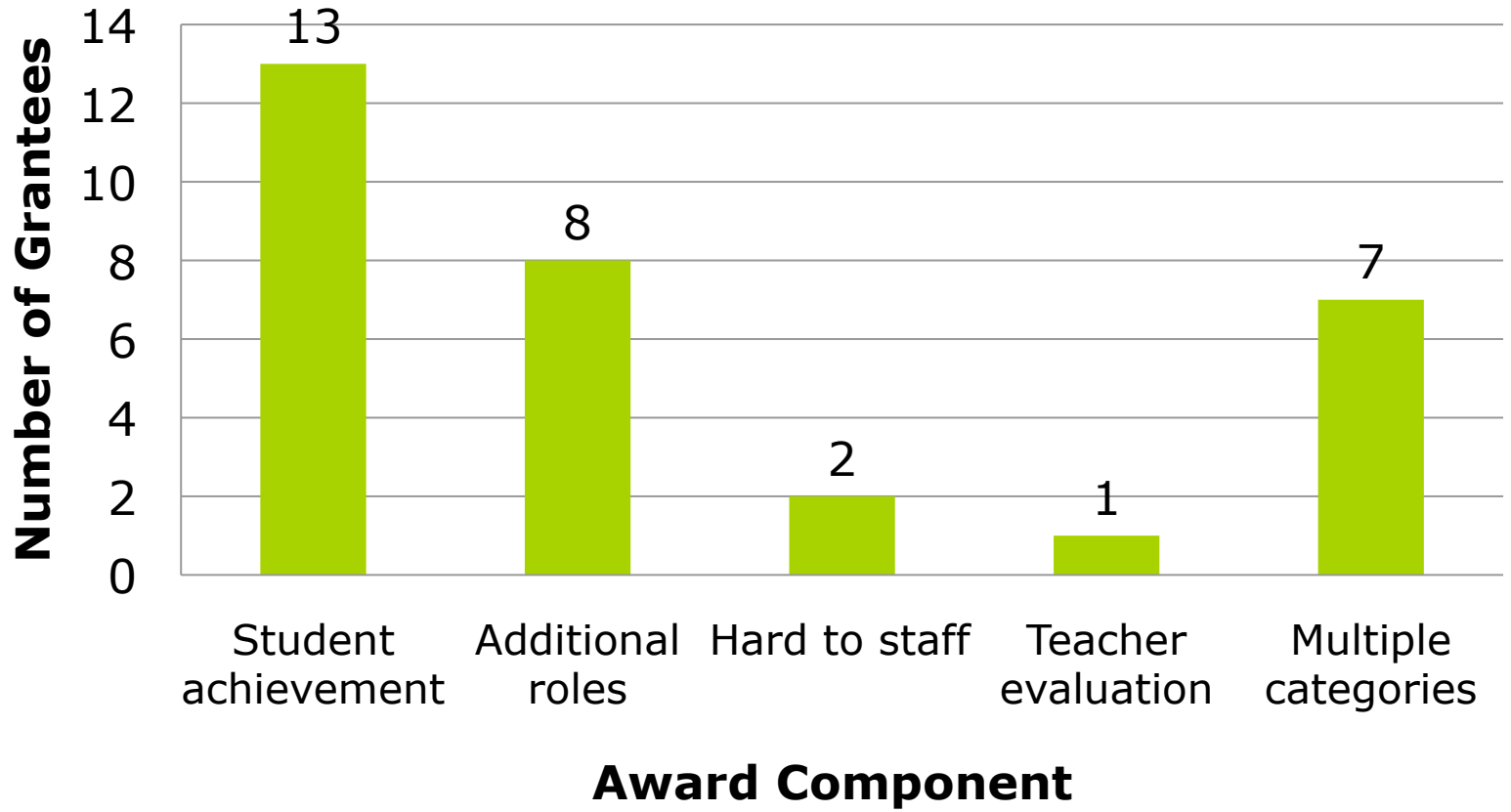
Award Categories: Differentiating Factors

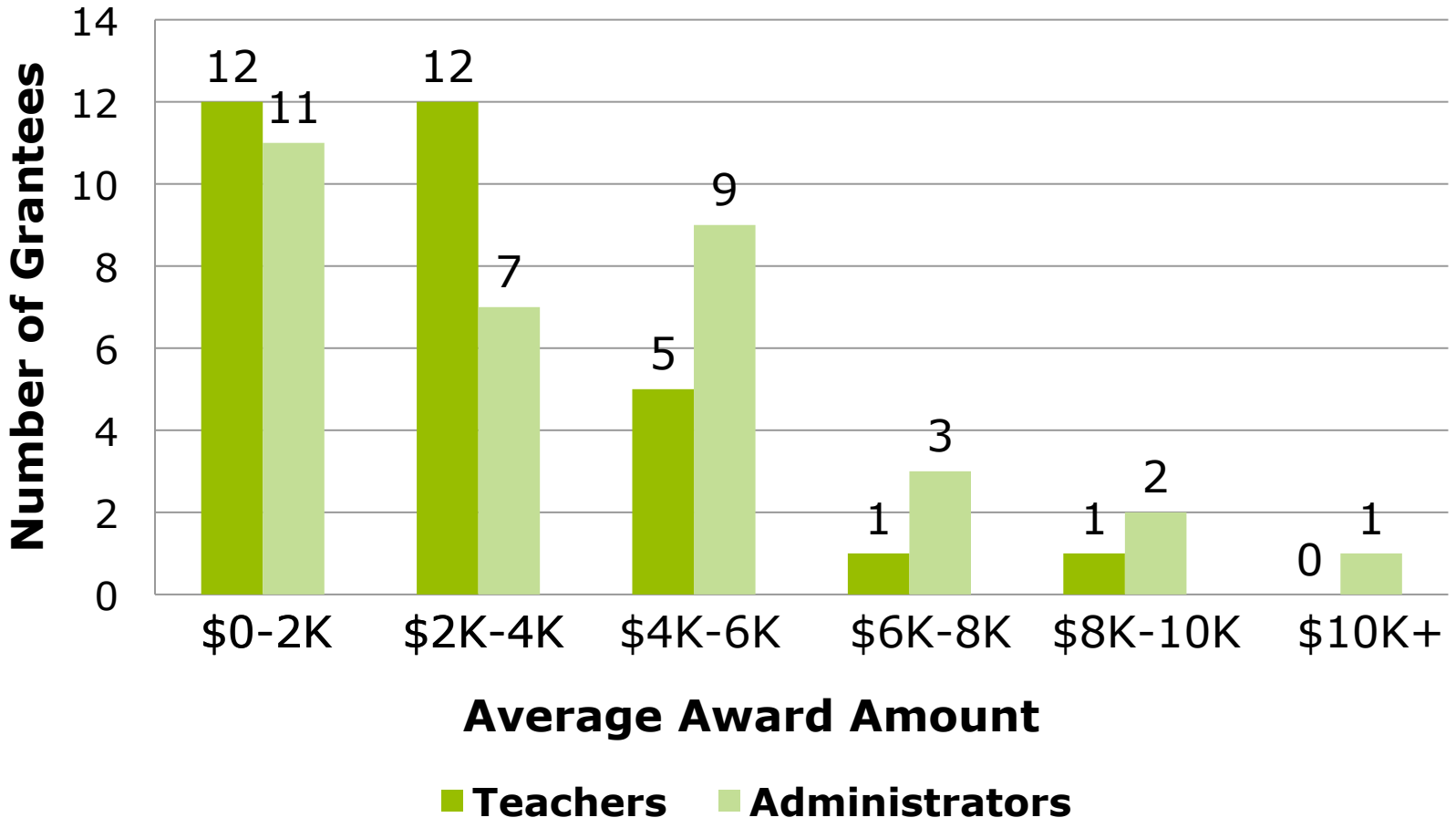


Award Size

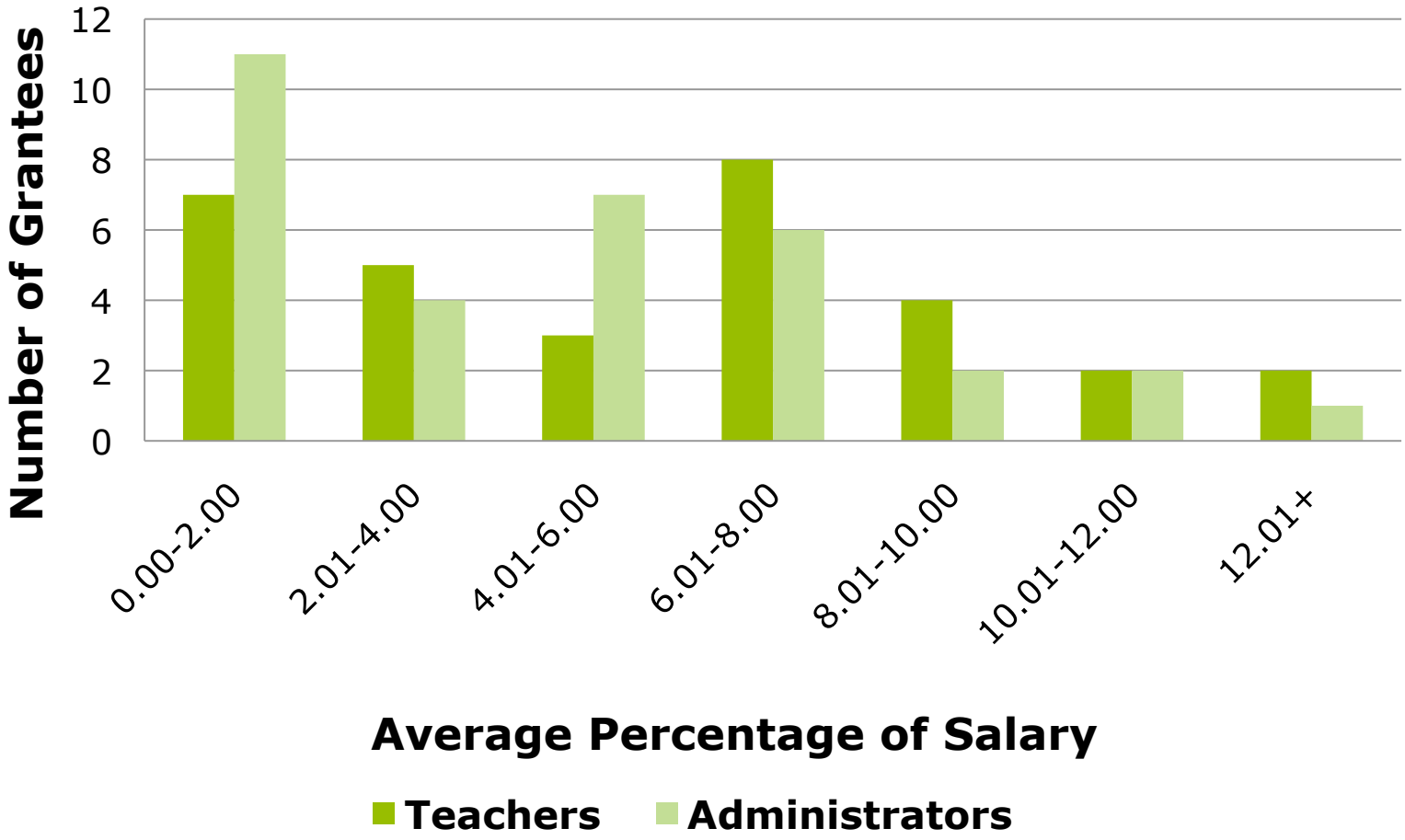
They [the grantee] did some [rewards] back a few years ago that were $200–$400. By the time they take out taxes, one dinner out at a restaurant; why bother if you're going to give me $100?

But $9,000, I'm really paying attention to my scores. Not that I wasn't teaching hard before, but maybe I'm a little more focused on my teaching because that's kind of significant. . . . Now you're starting to say, Wow, that's something I can say that really made a difference in my pay.

Award Size


Number of Grantees
14
12
10
8
6
4
2
0
12
11
12
7
5
9
1
3
1
2
0
1
$0-2K
$2K-4K
$4K-6K
$6K-8K
$8K-10K
$10K+
Average Award Amount
Teachers
Administrators

Award Size


Number of Grantees
12
10
8
6
4
2
0
0.00-2.00
2.01-4.00
4.01-6.00
6.01-8.00
8.01-10.00
10.01-12.00
12.01+
Average Percentage of Salary
Teachers
Administrators

Previous Performance Pay

- 22 grantees have previous experience with performance pay.
- 10 of these grantees used funds to expand existing programs to include additional teachers or principals, increase the size of awards, add schools, or create additional types of awards.
- Previous experiences with performance pay had both positive and negative influences.

Data Systems

- Grantees often overestimated the strength of their existing data system and underestimated the challenge of building capable data systems.

- Grantees faced several challenges in creating adequate data systems:
  - Inaccuracies in existing data
  - Inability to link across datasets
  - Difficulty in maintaining accurate student rosters
  - Lack of student achievement data in some subjects
  - Educator perceptions about the fairness or accuracy of data systems

Communications

Grantees employed a variety of communication strategies which have often evolved.

Challenges in communication included:

- Struggle to understand how student achievement was calculated using value-added models
- Delays in payments due to calculations
- Confusion about award amounts and taxes
- Providing information to new teachers or communicating program changes

Evaluating Educators: A Key Lever?

- Almost half of TIF projects used evaluations to help identify educators for awards.
- Among TIF projects where evaluation systems included a systematic analysis of instruction using a rubric, respondents reported that TIF increased teacher collaboration.
- TIF has the potential to advance teacher and principal professionalism by promoting conversations about what constitutes good instruction.

TIF in Context

- TIF operates amid a complex array of reform initiatives, along with economic and political volatility.
- Simultaneous, multiple, and sometimes contradictory initiatives translate poorly at the classroom level.
- Picking a lever small enough to work, but big enough to matter.

Sustainability

- By the fifth year at least 75 percent of the differentiated compensation costs must be paid for by sources outside of the TIF grant.
- More than half of programs will likely be unable to continue their programs at current levels when federal funding ends.
- Innovative funding streams
  - Refinancing existing programs
  - Using COLA funds
  - Moving away from the single salary schedule

Conference Observations: Canary Questions

- How do we reward the canaries?
- How do we inform the miners?

Unanswered issues:

1. Where are the principals?
2. Where is the central office?
3. Where are the policy makers?
4. Where are the researchers?

Lessons Learned

- TIF includes much more than performance pay and many grantees enacted comprehensive programs to improve educator quality.
- The economy has declined since grants were awarded, changing the context for implementation.
- Implementing performance pay programs is challenging
- TIF is only one of the initiatives that grantees are pursuing to improve educator quality and student outcomes

Proposed Outcomes Studies

Quasi-experimental designs to estimate the effects of TIF on:

- grantees' abilities to attract and retain effective educators
- student achievement

Two possible designs

- regression discontinuity design
- difference-in-differences design

Synthesis of local evaluations

Proposed Outcomes Studies

Each design responds to a different need

- RDD estimates the impact of TIF
- DiD estimates the effect of TIF and other inter-connected policies in individual grantees
- Review of local evaluations synthesizes results of those 33 studies into one easily accessible report

Cohort 3 & 4 Impact Study

Next Round of TIF

- Evaluation competition
- Main Competition

Evaluation Grantees

- Receive at least additional $1M
- Must have "substantial" incentive amounts
- Must have "challenging" criteria for awards
- Should have "meaningful" differences in pay

Evaluating Outcomes

Randomized trial with schools assigned by the evaluator

- ½ of schools in district to participate in incentive pay
- ½ of schools will receive 1% across the board bonus

Why Conduct Quasi-Experiments?

- Current grantees have not established PFP systems that meet the criteria for participating in the upcoming experiment.
- PFP in the real world is about more than student achievement.
- Policymakers can learn from the experience of the first two cohorts of TIF grantees.
- When combined with qualitative data, the quasi-experiments can open the black box.

Opening Up the Black Box: Connecting Incentives to Behaviors

- Much more needs to be known about:
  - The relationship between the incentives and educator behaviors
  - The interaction between TIF and other initiatives
  - Changing educator compensation systems in an era of scarcity
  - Raising educator quality and professionalism through compensation reform